

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 556 be amended to read as follows:

- 1 Page 22, between lines 31 and 32, begin a new paragraph and
- 2 insert:
- 3 "SECTION 16. IC 6-3.5-7-5, AS AMENDED BY P.L.192-2002(ss),
- 4 SECTION 121, IS AMENDED TO READ AS FOLLOWS: Sec. 5. (a)
- 5 Except as provided in subsection (c), the county economic
- 6 development income tax may be imposed on the adjusted gross income
- 7 of county taxpayers. The entity that may impose the tax is:
- 8 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 9 the county option income tax is in effect on January 1 of the year
- 10 the county economic development income tax is imposed;
- 11 (2) the county council if the county adjusted gross income tax is
- 12 in effect on January 1 of the year the county economic
- 13 development tax is imposed; or
- 14 (3) the county income tax council or the county council,
- 15 whichever acts first, for a county not covered by subdivision (1)
- 16 or (2).
- 17 To impose the county economic development income tax, a county
- 18 income tax council shall use the procedures set forth in IC 6-3.5-6
- 19 concerning the imposition of the county option income tax.
- 20 (b) Except as provided in subsections (c), (g), (k), ~~and~~ (p), **and** (r)
- 21 the county economic development income tax may be imposed at a rate
- 22 of:
- 23 (1) one-tenth percent (0.1%);
- 24 (2) two-tenths percent (0.2%);
- 25 (3) twenty-five hundredths percent (0.25%);

1 (4) three-tenths percent (0.3%);
2 (5) thirty-five hundredths percent (0.35%);
3 (6) four-tenths percent (0.4%);
4 (7) forty-five hundredths percent (0.45%); or
5 (8) five-tenths percent (0.5%);
6 on the adjusted gross income of county taxpayers.
7 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n),
8 (o), or (p), the county economic development income tax rate plus the
9 county adjusted gross income tax rate, if any, that are in effect on
10 January 1 of a year may not exceed one and twenty-five hundredths
11 percent (1.25%). Except as provided in subsection (g) or (p), the county
12 economic development tax rate plus the county option income tax rate,
13 if any, that are in effect on January 1 of a year may not exceed one
14 percent (1%).
15 (d) To impose, increase, decrease, or rescind the county economic
16 development income tax, the appropriate body must, after January 1 but
17 before April 1 of a year, adopt an ordinance. The ordinance to impose
18 the tax must substantially state the following:
19 "The _____ County _____ imposes the county economic
20 development income tax on the county taxpayers of _____
21 County. The county economic development income tax is imposed at
22 a rate of _____ percent (____%) on the county taxpayers of the
23 county. This tax takes effect July 1 of this year."
24 (e) Any ordinance adopted under this chapter takes effect July 1
25 of the year the ordinance is adopted.
26 (f) The auditor of a county shall record all votes taken on
27 ordinances presented for a vote under the authority of this chapter and
28 shall, not more than ten (10) days after the vote, send a certified copy
29 of the results to the commissioner of the department by certified mail.
30 (g) This subsection applies to a county having a population of
31 more than one hundred forty-eight thousand (148,000) but less than
32 one hundred seventy thousand (170,000). Except as provided in
33 subsection (p), in addition to the rates permitted by subsection (b), the:
34 (1) county economic development income tax may be imposed
35 at a rate of:
36 (A) fifteen-hundredths percent (0.15%);
37 (B) two-tenths percent (0.2%); or
38 (C) twenty-five hundredths percent (0.25%); and
39 (2) county economic development income tax rate plus the
40 county option income tax rate that are in effect on January 1 of
41 a year may equal up to one and twenty-five hundredths percent
42 (1.25%);
43 if the county income tax council makes a determination to impose rates
44 under this subsection and section 22 of this chapter.
45 (h) For a county having a population of more than forty-one
46 thousand (41,000) but less than forty-three thousand (43,000), except
47 as provided in subsection (p), the county economic development
48 income tax rate plus the county adjusted gross income tax rate that are
49 in effect on January 1 of a year may not exceed one and thirty-five
50 hundredths percent (1.35%) if the county has imposed the county
51 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)

1 under IC 6-3.5-1.1-2.5.

2 (i) For a county having a population of more than thirteen
3 thousand five hundred (13,500) but less than fourteen thousand
4 (14,000), except as provided in subsection (p), the county economic
5 development income tax rate plus the county adjusted gross income tax
6 rate that are in effect on January 1 of a year may not exceed one and
7 fifty-five hundredths percent (1.55%).

8 (j) For a county having a population of more than seventy-one
9 thousand (71,000) but less than seventy-one thousand four hundred
10 (71,400), except as provided in subsection (p), the county economic
11 development income tax rate plus the county adjusted gross income tax
12 rate that are in effect on January 1 of a year may not exceed one and
13 five-tenths percent (1.5%).

14 (k) This subsection applies to a county having a population of
15 more than twenty-seven thousand four hundred (27,400) but less than
16 twenty-seven thousand five hundred (27,500). Except as provided in
17 subsection (p), in addition to the rates permitted under subsection (b):

- 18 (1) the county economic development income tax may be
19 imposed at a rate of twenty-five hundredths percent (0.25%); and
- 20 (2) the sum of the county economic development income tax rate
21 and the county adjusted gross income tax rate that are in effect
22 on January 1 of a year may not exceed one and five-tenths
23 percent (1.5%);

24 if the county council makes a determination to impose rates under this
25 subsection and section 22.5 of this chapter.

26 (l) For a county having a population of more than twenty-nine
27 thousand (29,000) but less than thirty thousand (30,000), except as
28 provided in subsection (p), the county economic development income
29 tax rate plus the county adjusted gross income tax rate that are in effect
30 on January 1 of a year may not exceed one and five-tenths percent
31 (1.5%).

32 (m) For:

- 33 (1) a county having a population of more than one hundred
34 eighty-two thousand seven hundred ninety (182,790) but less
35 than two hundred thousand (200,000); or
- 36 (2) a county having a population of more than forty-five
37 thousand (45,000) but less than forty-five thousand nine hundred
38 (45,900);

39 except as provided in subsection (p), the county economic development
40 income tax rate plus the county adjusted gross income tax rate that are
41 in effect on January 1 of a year may not exceed one and five-tenths
42 percent (1.5%).

43 (n) For a county having a population of more than six thousand
44 (6,000) but less than eight thousand (8,000), except as provided in
45 subsection (p), the county economic development income tax rate plus
46 the county adjusted gross income tax rate that are in effect on January
47 1 of a year may not exceed one and five-tenths percent (1.5%).

48 (o) This subsection applies to a county having a population of
49 more than thirty-nine thousand (39,000) but less than thirty-nine
50 thousand six hundred (39,600). Except as provided in subsection (p),

in addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) the sum of the county economic development income tax rate and:

- (A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

- (B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

- (1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

- (2) the:

- (A) county economic development income tax; and

- (B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

- (1) the actual county economic development tax rate; and

- (2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and**

- (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);**

if the county council makes a determination to impose rates under

this subsection and section 27 of this chapter."

SECTION 17. IC 6-3.5-7-12, AS AMENDED BY P.L.192-2002(ss), SECTION 122, IS AMENDED TO READ AS FOLLOWS: Sec. 12. (a) Except as provided in sections 23, 25, ~~and 26,~~ **and 27** of this chapter, the county auditor shall distribute in the manner specified in this section the certified distribution to the county.

(b) Except as provided in subsections (c) and (h) and sections 15 and 25 of this chapter, the amount of the certified distribution that the county and each city or town in a county is entitled to receive during May and November of each year equals the product of the following:

(1) The amount of the certified distribution for that month; multiplied by

(2) A fraction. The numerator of the fraction equals the sum of the following:

(A) Total property taxes that are first due and payable to the county, city, or town during the calendar year in which the month falls; plus

(B) For a county, an amount equal to:

(i) the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; plus

(ii) after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

The denominator of the fraction equals the sum of the total property taxes that are first due and payable to the county and all cities and towns of the county during the calendar year in which the month falls, plus an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund, and after December 31, 2004, the greater of zero (0) or the difference between the county hospital care for the indigent property tax levy imposed by the county in 2004, adjusted each year after 2004 by the statewide average assessed value growth quotient described in IC 12-16-14-3, minus the current uninsured parents program property tax levy imposed by the county.

(c) This subsection applies to a county council or county income tax council that imposes a tax under this chapter after June 1, 1992. The body imposing the tax may adopt an ordinance before July 1 of a year to provide for the distribution of certified distributions under this subsection instead of a distribution under subsection (b). The following apply if an ordinance is adopted under this subsection:

(1) The ordinance is effective January 1 of the following year.

(2) Except as provided in sections 25 and 26 of this chapter, the amount of the certified distribution that the county and each city and town in the county is entitled to receive during May and November of each year equals the product of:

- 1 (A) the amount of the certified distribution for the month;
 2 multiplied by
 3 (B) a fraction. For a city or town, the numerator of the
 4 fraction equals the population of the city or the town. For a
 5 county, the numerator of the fraction equals the population
 6 of the part of the county that is not located in a city or town.
 7 The denominator of the fraction equals the sum of the
 8 population of all cities and towns located in the county and
 9 the population of the part of the county that is not located in
 10 a city or town.
- 11 (3) The ordinance may be made irrevocable for the duration of
 12 specified lease rental or debt service payments.
- 13 (d) The body imposing the tax may not adopt an ordinance under
 14 subsection (c) if, before the adoption of the proposed ordinance, any of
 15 the following have pledged the county economic development income
 16 tax for any purpose permitted by IC 5-1-14 or any other statute:
- 17 (1) The county.
 18 (2) A city or town in the county.
 19 (3) A commission, a board, a department, or an authority that is
 20 authorized by statute to pledge the county economic
 21 development income tax.
- 22 (e) The department of local government finance shall provide each
 23 county auditor with the fractional amount of the certified distribution
 24 that the county and each city or town in the county is entitled to receive
 25 under this section.
- 26 (f) Money received by a county, city, or town under this section
 27 shall be deposited in the unit's economic development income tax fund.
- 28 (g) Except as provided in subsection (b)(2)(B), in determining the
 29 fractional amount of the certified distribution the county and its cities
 30 and towns are entitled to receive under subsection (b) during a calendar
 31 year, the department of local government finance shall consider only
 32 property taxes imposed on tangible property subject to assessment in
 33 that county.
- 34 (h) In a county having a consolidated city, only the consolidated
 35 city is entitled to the certified distribution, subject to the requirements
 36 of sections 15, 25, and 26 of this chapter.
- 37 SECTION 18. IC 6-3.5-7-13.1, AS AMENDED BY
 38 P.L.192-2002(ss), SECTION 123, IS AMENDED TO READ AS
 39 FOLLOWS: Sec. 13.1. *Effective 1-1-2003.* (a) The fiscal officer of each
 40 county, city, or town for a county in which the county economic
 41 development tax is imposed shall establish an economic development
 42 income tax fund. Except as provided in sections 23, 25, **and 26, and 27**
 43 of this chapter, the revenue received by a county, city, or town under
 44 this chapter shall be deposited in the unit's economic development
 45 income tax fund.
- 46 (b) Except as provided in sections 15, 23, 25, **and 26, and 27** of
 47 this chapter, revenues from the county economic development income
 48 tax may be used as follows:
- 49 (1) By a county, city, or town for economic development
 50 projects, for paying, notwithstanding any other law, under a

written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

1 (J) furnishings;
 2 (K) facilities;
 3 (L) administrative expenses associated with such a project,
 4 including contract payments authorized under subsection
 5 (b)(2)(D);
 6 (M) operating expenses authorized under subsection
 7 (b)(2)(E); or
 8 (N) to the extent not otherwise allowed under this chapter,
 9 substance removal or remedial action in a designated unit;
 10 or any combination of these.

11 SECTION 19. IC 6-3.5-7-27 IS ADDED TO THE INDIANA CODE
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: **Sec. 27. (a) This section applies to a county**
 14 **that:**

15 (1) operates a courthouse that is subject to an order that:
 16 (A) is issued by a federal district court;
 17 (B) applies to an action commenced before January 1, 2003;
 18 and

19 (C) requires the county to comply with the American with
 20 Disabilities Act; (2) has insufficient revenues to finance the
 21 construction, acquisition, improvement, renovation, equipping, and
 22 operation of the courthouse facilities and related facilities.

23 (b) A county described in this section possesses unique fiscal
 24 challenges in financing, renovating, equipping, and operating the
 25 county courthouse facilities and related facilities because the
 26 county consistently has one of the highest unemployment
 27 rates in Indiana. Maintaining low property tax rates is essential to
 28 economic development in the county. The use of economic
 29 development income tax revenues under this section for the
 30 purposes described in subsection (c) promotes that purpose.

31 (c) In addition to actions authorized by section 5 of this chapter, a
 32 county council may, using the procedures set forth in this chapter,
 33 adopt an ordinance to impose an additional county economic
 34 development income tax on the adjusted gross income of county
 35 taxpayers. The ordinance imposing the additional tax must include
 36 a finding that revenues from additional tax are needed to pay the
 37 costs of:

38 (1) constructing, acquiring, improving, renovating, equipping,
 39 or operating the county courthouse or related facilities;

40 (2) repaying any bonds issued, or leases entered into, for
 41 constructing, acquiring, improving, renovating, equipping, or
 42 operating the county courthouse or related facilities; and

43 (3) economic development projects described in the county's
 44 capital improvement plan.

45 (d) The tax rate imposed under this section may not exceed twenty-
 46 five hundredths percent (0.25%).

47 (e) If the county council adopts an ordinance to impose an
 48 additional tax under this section, the county auditor shall
 49 immediately send a certified copy of the ordinance to the
 50 department by certified mail. The county treasurer shall establish

1 a county facilities revenue fund to be used only for the purposes
2 described in subsection (c)(1) and (c)(2). The amount of county
3 economic development income tax revenues derived from the tax
4 rate imposed under this section that are necessary to pay the const
5 described in subsection (c)(1) and (c)(2) shall be deposited into the
6 county facilities revenue fund before a certified distribution is
7 made under section 12 of this chapter. The remainder shall be
8 deposited into the economic development income tax funds of the
9 county's units.

10 (f) County economic development income tax revenues derived
11 from the tax rate imposed under this section may not be used for
12 purposes other than those described in this section.

13 (g) County economic development income tax revenues derived
14 from the tax rate imposed under this section that are deposited into
15 the county facilities revenue fund may not be considered by the
16 department of local government finance in determining the
17 county's ad valorem property tax levy for an ensuing calendar year
18 under IC 6-1.1-18.5.

19 (h) Notwithstanding section 5 of this chapter, and ordinance may
20 be adopted under this section at any time. If the ordinance is
21 adopted before June 1 of a year, a tax rate imposed under this
22 section takes effect July 1 of that year. If the ordinance is adopted
23 after May 31 of a year, a tax rate imposed under this section takes
24 effect on the January 1 immediately following adoption of the
25 ordinance.

26 (i) For a county adopting an ordinance before June 1 in a year, in
27 determining the certified distribution under section 11 of this
28 chapter for the calendar year beginning with the immediately
29 following January 1 and each calendar year thereafter, the
30 department shall take into account the certified ordinance mailed
31 to the department under subsection (e). For a county adopting an
32 ordinance after May 31, the department shall issue an initial or
33 revised certified distribution for the calendar year beginning with
34 the immediately following January 1. Except for a county
35 adopting an ordinance after May 31, a county's certified
36 distribution shall be distributed on the dates specified under
37 section 16 of this chapter. In the case of a county adopting an
38 ordinance after May 31, the county, beginning with the calendar
39 year beginning on the immediately following January 1, shall
40 receive the entire certified distribution for the calendar year on
41 November 1 of the year.

42 (j) Notwithstanding any other law, funds accumulated from the
43 county economic development income tax imposed under this
44 section and deposited into the the county facilities revenue fund or
45 any other revenues of the county may be deposited into a
46 nonreverting fund of the county to be used for operating costs of
47 the courthouse facilities, juvenile detention facilities, or related
48 facilities. Amounts in the county nonreverting fund may not be
49 used by the department of local government finance to reduce the
50 county's ad valorem property tax levy for an ensuing calendar year

1 **under IC 6-1.1-18.5"**

2 Page 23, after line 8 , begin a new paragraph and insert:

3 **"SECTION 22. An emergency is declared for this act."**

4 Re-number all SECTIONS consecutively.

(Reference is to ESB 0556 as printed April 1, 2003.)

Representative HOFFMAN